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*George F. Delmonico*

**CERTIFIED PUBLIC ACCOUNTANT**

(A Professional Corporation)

Provider Limited in Commercial Accounting, Auditing and Financial Reporting

Release Date: 3/13/02

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## **Independent Accountant's Report on Applying Agreed-Upon Procedures**

**Mayor Sylvester Mulcairey**  
**City of New Roads, Louisiana**

I have performed the procedures enumerated below, which you and I have previously agreed to for the purpose of evaluating the amounts reported in the balance sheets of the City of New Roads, Louisiana as of October 31, 2001. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The findings are supported by journal entries attached to this report.

### **Bank Reconciliations**

#### **Procedure**

Review the bank reconciliations prepared by city personnel and compare these balances to the amounts reported in the balance sheets.

#### **Findings**

The bank reconciliations were in agreement with the amounts reported in the balance sheets.

### **Accounts Receivable**

#### **Procedure**

Review the documents to support the amounts reported.

#### **Findings**

1. Solid waste charges to customers of the city billed by the Electric System were incorrectly accounted as accounts receivable in the General Fund. To be consistent with accounting procedures utilized by other funds, this amount was reclassified as an interfund receivable/payable between the General Fund and Electric System.

2. \$53.68 was incorrectly recorded against "Accounts Receivable" in the Water & Sewer System instead of against "Due from Electric".

#### **Due From/To Other Funds**

##### **Procedure**

Review the documents to support the amounts reported and verify that the offsetting balances agree with the other funds reported in the balance sheets.

##### **Findings**

1. Posting errors were made in the adjustment of a check redistributing the allocation of an invoice in the amount of \$3,340.38.
2. Transfers totaling \$167,500 from the Electric System to the General Fund were incorrectly recorded.
3. Bank charges in the amount of \$29 were incorrectly posted to "Due from Payroll Account" in General Fund.
4. Issues totaling \$926.51 for consumer meter deposits applied against solid waste charges were incorrectly posted to "Consumer Meter Deposits" instead of "Due from Electric System".
5. A cumulative error in the amount of \$226.64 was adjusted to reconcile the interfund accounts between General Fund and the Payroll Account.
6. Transfers totaling \$85,000 between the Electric System and Water & Sewer System were incorrectly recorded.
7. Transfers totaling \$140,000 between the Electric System and Natural Gas System were incorrectly recorded.
8. Transfers totaling \$38,658.37 in the Electric System were incorrectly posted to either "Due to Natural Gas System" or "Due to Water & Sewer System".
9. Penalty charges in the amount of \$571.75 were incorrectly recorded.
10. Water tap charges in the amount of \$200 were incorrectly recorded as "Due from Electric" in the Water & Sewer System.
11. Utility customer charges in the amount of \$8.25 were incorrectly recorded as "Due from Electric" instead of income.

#### **Due From/To Other Government Agencies**

##### **Procedure**

Review the documents to support the amounts reported.

##### **Finding**

1. Solid waste charges to customers of the Pointe Coupee Parish Public Utilities in the amount of \$5,606.94 billed by the Electric System were incorrectly recorded in the general ledgers of General Fund and Electric System.

#### **Fixed Assets and Accumulated Depreciation**

##### **Procedure**

Inspect the inventory of fixed assets for the Enterprise Funds and compare the balances of costs and accumulated depreciation to the amounts reported in the balance sheets. Ascertain that the additions and deletions have been recorded.

***Finding***

The amounts reported at January 1, 2001, agree with the 2000 audit and all additions appear to have been recorded.

***Accounts Payable******Procedure***

Review the invoices to support the amounts reported.

***Finding***

There were no amounts recorded as "Accounts Payable" at October 31, 2001. This agreed with the detail of unpaid invoice report of the accounting system. I was told that all invoices due at October 31, 2000 were paid by month-end.

***Payroll Deductions and Accruals******Procedure***

Review the subsequent month's transactions to verify the amounts reported.

***Finding***

1. \$9,599.55 representing amounts collected from citizens for their portion of insurance premiums were incorrectly posted against "Retirees Insurance Clearing" instead of against "Health Insurance - Retirees" where the payment of the premiums were recorded in the General Fund.
2. Various immaterial amounts were adjusted to the beginning balances at January 1, 2001 that were not adjusted during the prior year audit.
3. Garnishment deductions of \$1,690 and the subsequent payments were recorded in two different balance sheet accounts.

***Long-Term Debt******Procedure***

Review the amounts reported against bond amortization schedules. Ascertain that the restricted bank accounts are in agreement with bond indentures.

***Finding***

The transactions affecting long-term debt as recorded in the balance sheet accounts were in agreement with the bond amortization schedules and the restricted bank accounts were in agreement with the bond indentures.

***Fund Equity******Procedure***

Review the amounts reported against bond indentures, council resolutions, etc.

***Finding***

The amounts reported as designations or reserves agree with the prior year audit and appear fairly stated at October 31, 2001.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the City of New Roads and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:515, this report is distributed by the Legislative Auditor as a public document.

*George F. Ballance, CPA, CFP®*

November 22, 2021



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LEGISLATIVE AUDITOR

02 FEB 11 AM 10:46

OFFICE OF THE MAYOR

P.O. Box 280

New Roads, Louisiana 70080

SYLVESTER MUCKELBAY  
Mayor

CITY OF NEW ROADS  
"Off the Beaten Path"

March 7, 2002

Office of Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Sir or Madam:

In response to the agreed upon procedures report issued by George F. Delaune, CPA, we have accepted the corrections made, have posted them to the accounting system and modified procedures to prevent the errors in the future.

Sincerely,

Sylvester Muckelbay  
Mayor

SM/lin

cc: George F. Delaune, CPA  
John Morrison, CPA